

## BOOK REVIEW

**Mascarenhas, Oswald A. J. (2018 / 2019): *Volume I: Corporate Ethics for Turbulent Markets: The Market Context of Corporate Ethical Decisions and Choices* (April, 2018) *Volume II: Corporate Ethics for Turbulent Markets: The Human Context of Corporate Ethical Decisions and Choices*, Emerald Publishing (March 2019)**

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Books on Business or Managerial Ethics, deal with specific departments or divisions of the business corporation, such as Production and Labour, Distribution, Supply Logistics, Marketing, Finance, Consumption or Trade - Exchange Economics, and so on, and address ethical and moral problems specific to those areas. Corporate Ethics, by definition, engages corporate executives with ethical or moral decisions that involve the corporation as a whole, with its industry, competition, regulation, and national and international markets in view. The author offers a comprehensive definition of Corporate Ethics in Chapter 2 (p. 56) as follows: “Corporate ethics is a subset of managerial ethics. It is a field of highly professional and specialized executive ethics behaviour that involves corporate-wide decisions and choices, strategies and implementation processes, and being accountable for the outcomes of one’s corporate-wide choices and decisions. The scope and domain of corporate ethics is wider than in managerial ethics. Corporate ethics embraces the corporation as a whole with all its divisions and subdivisions, branches and affiliates, joint ventures and wholly-owned subsidiaries, mergers, acquisitions and divestitures, corporate strategic alliances, products, brands and services, and uses and renewals of its accumulated human, physical and money capital.” Hence, the author concludes: “corporate ethics, par excellence, is an *actionable program* that seeks goodness in its corporate, ethical and moral deliberations, decisions and actions.” This is an ambitious definition that the author seeks to illustrate throughout both volumes.

The most important contribution of this book in the domain of Corporate Ethics is the Legal, Ethical, Moral and Spiritual (LEMS) technique. It means that every corporate decision should be tested and assessed against an increasingly incisive fourfold screening and deliberation process of Legality, Ethicality, Morality and Spirituality. However, this technique is theoretical in nature and the author does not explain how this process could be practically implemented by corporate leaders. It is also unclear whether the LEMS approach can actually improve the quality of the decisions and actions of corporate leaders, as it is yet to be empirically tested and verified.

The two volumes emphasize critical thinking (Volume 2, Chapter 5) as well as systems thinking (Volume 1, Chapter 3), for dealing with the increasing complexity of the modern, turbulent markets. Both are modern pre-ethical tools very useful for corporates today. The major ethical theories included in the both the volumes can also be found in the book ‘Corporate Ethics’ by Peter A. French (1994). However, unlike other books, these two volumes are dotted with recent, real-time, and live business cases: in the first volume, the cases mentioned are various narratives of turbulent markets; the second volume has current

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cases to illustrate and apply the various ethical theories. Both volumes have author, subject, case, and company indices for the benefit of readers.

The book provides conceptual and operational definitions of ethics, morality, business ethics and the like. While both types of definitions are important, the book emphasizes operational definitions given that the practical domain, nature, and challenge of corporate ethics is to explore and determine what “it does” to a corporation and its stakeholders, rather than what it “is” for the markets and corporations. However, the author concedes, that to critique and assess the current, turbulent markets, we also need strong conceptual and theoretical definitions that can reveal ethical and moral issues and imperatives of corporate strategies and their planned growth trajectories.

Here is a comparison with similar books in this domain. While the 1994 book ‘*Managing Corporate Ethics: Learning from America’s Ethical Companies How to Supercharge Business Performance*’ by Francis Aguilar, that recommends actions on three fronts, i.e., effective ethical leadership, ethics programs, and finally, hiring ethical staff and surrounding organization with ethical advisors, this book focuses on developing critical thinking skills of managers for dealing with the increasing complexity of the modern, turbulent markets. Aguilar incorporates the lessons learned in his in-depth study of ten prominent firms with proven successful ethics programs, Hewlett-Packard, Johnson & Johnson, Nucor Steel, Cray Research, ServiceMaster, Texas Instruments, among others, whereas this book also discusses some recent cases, based on the LEMS technique proposed by the author.

The LEMS screening is an extremely effective process for all of us in judging the legal, ethical, moral, and spiritual quality of our decisions and actions. Most corporate bankruptcies failed at the very first stage. Those corporations that failed did the first, but not the second stage, and did not last long. Great corporate moral and spiritual successes reach the third and fourth stages. This is corporate ethics in its quintessence and experience. This is a sure corporate takeaway.

In his book ‘*Corporate Ethics, Governance, and Social Responsibility: Precepts and Practices*’ (2009), Augustine Fernando asks basic questions such as, whether profit making should be the only goal of business, should market mechanisms drive corporate enterprise or to what extent should corporations compensate for the hidden cost incurred by the society. He concludes in his book that corporate practices cannot bypass the fundamental demands of ethical behaviour, that administration and policies of governance have to be more transparent and publicly accountable, and that businesses must be sensitive to the community and environment within which they are established. However, this book goes beyond the dimensions of corporate ethical administration and leads the reader into deeper explorations of whether the decision taken by the corporation is *law abiding*? If it is law abiding, then is this decision the *right thing to do* (based on several rules of rightness and goodness)? If it is right thing to do, then are you *doing the right things rightly*? Is the process of doing the right thing rightly supported by major moral theories of distributive, procedural, egalitarian, and corrective justice? And ultimately it ask the final question - are you doing the right thing rightly for *the right reasons and intentions*?

This book provides a full package of thought provoking processes that could help the corporate leaders in making the right decisions and choices. However, this book seems too theoretical and idealistic in approach. How it could help the corporate leaders practically is a

question that still needs to be answered. Moreover, this book also does not mention how to achieve the four dimensions of the LEMS technique.

Besides being a great resource on ethical and moral thinking and decision making for corporate executives, business school teachers engaged in researching and teaching business ethics will also find this book useful in training students to be ethical and moral leaders that business in every nation desperately needs. While the first volume narrates selected stories of current market turbulence, readers will be able to understand how the major ethical theories provided in the second volume can help them resolve or tame market turbulence ethically and morally as befitting the title of this book.

This book is a good read for corporate executives, managers, entrepreneurs, professors, students, thinkers, and innovators alike, and it can enable them to face strategic legal, ethical, moral, and spiritual (LEMS) challenges of today.

## **References**

- Aguilar, F. J. (1994). Managing corporate ethics: Learning from America's ethical companies how to supercharge business performance. New York : Oxford University Press
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